

BEFORE THE CORPORATION COMMISSION OF THE
STATE OF OKLAHOMA

Application of Ernest G. Johnson,)	
Director of the Public Utility)	
Division Oklahoma Corporation)	Cause No. PUD 9700000064
Commission to Explore the)	
Requirements of Section 271 of)	
the Telecommunications Act of 1996)	

**COMMENTS OF SPRINT COMMUNICATIONS
COMPANY L.P. AS TO THE RELEVANT INQUIRIES
TO SOUTHWESTERN BELL TELEPHONE COMPANY'S
ENTRY INTO THE INTERLATA MARKET IN OKLAHOMA**

By Application dated February 6, 1997, the Oklahoma Corporation Commission (Commission) initiated the above proceeding to investigate Southwestern Bell Telephone Company's (SWBT) compliance with Section 271 of the Telecommunications Act of 1996 (Act) in anticipation of SWBT's application of authority to provide in-region originating interLATA service in Oklahoma.

INTRODUCTION

The purpose of this proceeding is to obtain evidence demonstrating SWBT's fulfillment (or lack thereof) of the requirements of Section 271 of the Act, in order for the Commission to fulfill its consultative duties to the Federal Communications Commission (FCC) and the Department of Justice relative to Section 271. This Commission's role in the ultimate determination made by the FCC as to whether SWBT should be permitted to enter the in-region, interLATA market is substantial. Section 271(d)(2)(B) imposes on the FCC the duty to "consult with the State commission of any state that is the subject of the application in order to verify compliance of the Bell operating company with the

requirements of subsection (c)" of Section 271 (the checklist subsection) "before making any determination under this subsection." Thus, the Act puts into this Commission's hands the ability to present the FCC with information which may well determine the FCC's ability to approve an application by SWBT seeking authority to provide interLATA services in Oklahoma. However, the ability to influence the outcome of the FCC proceeding also imposes on the Commission an obligation to ensure that SWBT meets not only the letter of the checklist, but the spirit underlying that section.

Sprint commends this Commission's proactive solicitation of input by interested parties. Sprint believes that in order for states to make informed, competent decisions regarding SWBT's application to provide in-region interLATA service, it will be necessary for the Commission to conduct a detailed investigation. An important part of that investigation is the discovery of information needed to make that decision.

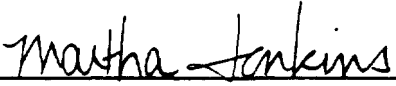
Sprint respectfully submits that there are three general areas of inquiry that must be examined in evaluating SWBT's progress towards fulfilling the checklist set forth in the Act, and for development of a record to support the Commission's recommendation on SWBT's application to the FCC. These areas of inquiry include assessment of the competitive environment, assessment of the implementation of the competitive checklist and determination of the public interest. Sprint submits the following attachments to assist the Commission in assessing the first two areas of inquiry. Attachment A provides inquiries into the presence of facilities-based competition and compliance with the competitive checklist. Attachment B is a copy of Appendix A issued by the Florida Public Service Commission Staff in response to Order No. PSC 96-0945-PCO-TL in Docket

No. 960786-TL. Appendix A is a list of questions propounded to Bell South to solicit information similar to that which this Commission should seek from SWBT. The third area of inquiry regarding the determination of the public interest is further examined in the testimony of Edward K. Phelan.

Admittedly, Sprint does not know and cannot provide all of the information necessary to establish a complete, meaningful and accurate record. It is in any event, incumbent upon SWBT to provide a full and responsive factual presentation on the issues to be addressed in this investigation. Without question, SWBT has the burden of proof here. The comments offered in the attachments are in that sense, preliminary and not at all exhaustive. Sprint may, in light of the comments and testimony of other parties suggest additional questions and areas of inquiry for the Commission's consideration in connection with the verification process under Section 271(c).

Respectfully submitted,

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ATTACHMENT A

**RELEVANT INQUIRIES FOR SWBT ENTRY
INTO IN-REGION INTERLATA SERVICES**

Presence of Facilities-Based Competition - 271(c)(1)(A)

The BOC meets the requirements of this provision if it has entered into one or more binding agreements that have been ***approved under section 252*** specifying the terms and conditions under which it is providing access and interconnection to its network facilities for the network facilities of one or more unaffiliated competing providers of ***telephone exchange service to residential and business subscribers***. Such service may be offered by such competing carriers either ***exclusively over their own network facilities or predominantly over their own network facilities*** in combination with the resale of the telecommunications services of another carrier.

Key phrases for discovery of the presence of facilities-based competition:

approved under section 252

Section 252 requires that interconnection agreements be submitted for approval by the state commission which must approve or reject. The state has grounds for rejecting a negotiated agreement if it 1) discriminates against a telecommunications carrier not a party to the agreement, or 2) is not consistent with the public interest, convenience, or necessity. An arbitrated agreement may be rejected if 1) it does not meet the requirements of Section 251, including the FCC's Section 251 regulations or 2) does not meet Section 252 pricing standards.

For a state to approve or reject, then, it must discover if an agreement, 1) discriminates (for example, contains prices for the transport and termination of traffic that differ from the prices paid by other telecommunications carriers for the transport and termination of traffic); 2) is not in the public interest (for example, will not foster competition to all areas or to all customer types); 3) fails to meet the standards required by the FCC's 251 regulations; or 4) does not meet the price standards of Section 252(d) (i.e. cost-based prices for network elements and transport and termination).

Relevant discovery requests include:

- 1) Provide a copy of all interconnection agreements
- 2) Provide a schedule comparing terms and conditions of:
 - a) each interconnection agreement
 - b) interconnection under your tariffs

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- b) interconnection under your tariffs
 - c) affiliate interconnections
 - d) subsidiary interconnections
 - e) ILEC-ILEC interconnections
 - f) Wireless interconnections
 - g) any other interconnections
- 3) Provide a schedule comparing the prices (including, but not limited to, interconnection, network elements, transport and termination of traffic, resale) as contained in:
- a) each interconnection agreement
 - b) tariffs (e.g. access rates for entrance facilities, transport, end office switching)
 - c) affiliate agreements
 - d) subsidiary agreements
 - e) ILEC-ILEC arrangements
 - f) Wireless interconnector arrangements
 - g) any other interconnector agreements
- 4) Provide the TSLRIC for all charges in all interconnection arrangements, include all of the underlying cost study workpapers and documentation
- 5) How should existing interconnection agreements be used to evidence compliance with Section 271 of the Act?

telephone exchange service to residential AND business subscribers

Since, to meet the requirements of this paragraph, an agreement must be with a competing provider of telephone exchange services to BOTH business AND residential subscribers. The commission must discover the extent to which competing carriers are providing basic local services to both classes of customers.

Relevant discovery requests include: (require info to be provided by BOCs and CLECs)

- 1) Excluding the BOC, provide a list of all facilities-based competitors currently providing basic local exchange service to both business AND residential customers in the BOC's territory
- 2) For each competitive provider listed, provide the following
 - a) list of services the competitor provides, indicate if service is provided to residential customers, business customers, or both
 - b) number of business lines served, % of BOC business lines this represents

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- c) number of residential lines served, % of BOC residential lines this represents
- d) list of the BOC exchanges where competitive provider is providing service
- e) for each competitor service, indicate the corresponding BOC service

exclusively or predominantly over their own network facilities

Since, to meet the requirements of this paragraph, the agreement must be with a competing provider who is providing its own network exclusively or predominantly, it is necessary to discover the extent to which competing providers are using their own networks vis-à-vis the networks of others. Webster defines predominant as "1: having superior strength, influence, or authority: PREVAILING 2: being most frequent or common" and defines predominantly as "for the most part: MAINLY"

Relevant discovery requests include: (require info to be provided by BOCs and CLECs)

- 1) For each service provided by each competing carrier by BOC central office, provide the following:
 - a) indicate if the service is provided exclusively over their own facilities, predominantly over their own facilities in combination with the resale of the telecommunications services of another carrier, or rely mainly on the facilities of another carrier
 - b) provide documentation that shows the network facilities actually owned by the competing carrier to provide basic local exchange service, identifying loops, switches, and transport facilities used by the carrier to provide the service
 - c) provide the number of business and residence loops each competitor owns and the number of business and residence loops owned by the BOC
 - d) provide the number of switches owned by each competitor and the number of switches owned by the BOC
 - e) provide the number of miles of interoffice transport facilities owned by each competitor and the number of miles of interoffice transport owned by the BOC

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Failure to Request Access - 271 (c)(1)(B)

The BOC meets requirements if after 10 months after the date of enactment of the Act, no such provider has requested access and interconnection.

Because requests for access and interconnection have been made universally by (AT&T, etc.), it seems unlikely that this provision will come into play.

Competitive Checklist - 271 (c)(2)(B)

(i) Interconnection in accordance with the requirements of Sections 251(c)(2) and 252(d)(1)

Section 251(c)(2) requires the duty to provide interconnection with the BOC network; at ***any technically feasible point, equal in quality*** to that provided to itself; at ***just, reasonable, and nondiscriminatory rates, terms, and conditions***. Section 252(d)(1) establishes the pricing standards for interconnection as ***based on cost, nondiscriminatory, and may include a reasonable profit***. To establish whether the BOC meets these requirements, it is necessary to discover the extent to which the BOCs interconnection provisions comply.

Relevant discovery requests include:

any technically feasible point

- 1) Provide a list of all the points in the network where the BOC is currently providing interconnection
- 2) Provide a list of all of the points of interconnection in the BOC network that will be available to interconnectors
- 3) For each central office interconnection, indicate the type of interconnection.
- 4) If interconnected at other than the central office, indicate where and how interconnected.

equal in quality

- 1) For all interconnections the BOC provides to itself, a subsidiary, an affiliate, or any other party:
 - a) indicate the type of equipment employed in the physical interconnection
 - b) list all systems, included but not limited to databases, physical equipment, and electronic interfaces, used in conjunction with these connections that provide for efficient ordering, maintenance, billing, and other functions critical to LEC operations

***just, reasonable, and nondiscriminatory rates, terms, and conditions;
prices base on cost, nondiscriminatory, and may include a reasonable profit***

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- 1) Provide all tariffs, contracts, agreements, or other binding documents, disclosing rates, terms, and conditions for interconnection with the BOC.
- 2) For all interconnections the BOC provides, provide the following:
 - a) a schedule of rates applied to subsidiaries for interconnection
 - b) a schedule of rates applied to affiliates for interconnection
 - c) a schedule of rates applied to other carriers, including, but not limited to CLECs, ILECs, IXCs, and wireless providers, for interconnection (i.e. entrance facilities, collocation charges, etc.)
 - d) the TSLRIC of providing these interconnections, include all cost study workpapers and documentation
 - e) a schedule showing the difference between the rates applied and the TSLRIC, indicate the amount of the difference associated with the recovery of joint and common costs and the amount of the difference associated with profit

(ii) Nondiscriminatory access to network elements in accordance with the requirements of sections 251(c)(3) and 252(d)(2).

This section requires the BOC to allow CLECs to interconnect at any technically feasible point on the BOC's network and purchase only those unbundled network elements that the CLEC needs at rates that are nondiscriminatory. Specifically, section 251(c)(3) requires BOCs to offer nondiscriminatory access to network elements on an *unbundled basis at technically feasible points on rates, terms, and conditions that are just, reasonable, and nondiscriminatory*. Section 252(d)(1) requires that prices for unbundled network elements be *based on cost, nondiscriminatory, and may include a reasonable profit*.

Relevant discovery requests would include:

unbundled basis

- 1) Provide a list of all unbundled network elements that are currently offered either through tariff or contract.
- 2) Provide a list of all unbundled network elements that will be made available to interconnecting telecommunications carriers within six months, within one year, within two years.
- 3) Provide documentation describing the methodology by which the BOC will physically unbundle all of the network elements listed.

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technically feasible points

- 1) Provide a list of all points where it is technically feasible for the BOC to provide interconnection without regard to the cost of such interconnection.
- 2) Provide a list of all points where other carriers have requested interconnection and the BOC has refused.

rates, terms, and conditions that are just, reasonable, and nondiscriminatory; based on cost, nondiscriminatory, and may include a reasonable profit

- 1) Provide a list of rates for unbundled network elements the BOC currently provides to:
 - a) subsidiaries/affiliates
 - b) all other carriers (LECs, IXCs, wireless carriers, etc.).
- 2) Provide cost studies documenting the TSLRIC for unbundled network elements the BOC currently provides to:
 - a) subsidiaries/affiliates
 - b) all other carriers (LECs, IXCs, wireless carriers, etc.)
- 3) Provide a study showing the difference between the TSLRIC and the price of each type of unbundled network element BOC currently provides to:
 - a) subsidiaries/affiliates
 - b) all other carriers (LECs, IXCs, wireless carriers, etc.)

Express this difference in terms of dollars, and the relationship between the TSLRIC, markup, and price in terms of percentage (e.g. $\text{TSLRIC} + x\% \text{ markup} = \text{price}$).
- 4) Provide the above information for new types of unbundled network elements the BOC intends to provide, but does not currently provide, to:
 - a) subsidiaries/affiliates
 - b) all other carriers (LECs, IXCs, wireless carriers, etc.)

(iii) Nondiscriminatory access to poles, ducts, conduits, and rights-of-way owned or controlled by the BOC at just and reasonable rates in accordance with section 224

Section 224 requires that *charges must be just, reasonable, and nondiscriminatory*; that pole attachment charges shall *include costs of useable space and other space*; that duct and conduit charges shall be *no greater than the average cost of duct or conduit space*; and that a *utility must impute and charge affiliates* its pole attachment rates.

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Relevant Discovery requests include:

- 1) Supply a list of the BOC's current rates applied for pole attachments, ducts, conduits, and rights-of-way
- 2) Provide cost studies and documentation to support these rates
- 3) Provide workpapers and documentation that demonstrate compliance with imputation requirement

(iv) Local loop transmission from the central office to the customer's premises, unbundled from local switching or other services.

This section requires the BOC to offer local loop transmission from the central office to the customer's premises on an unbundled basis separate from local switching or other services.

Relevant discovery requests would include:

unbundled basis

- 1) Provide a list of all of the unbundled local loop transmission network elements that are currently offered either through tariff or contract.
- 2) Provide a list of all of the unbundled local loop transmission network elements that will be made available to interconnecting telecommunications carriers.
- 3) Provide documentation describing the methodology by which the BOC will physically unbundle its local loop transmission network.

technically feasible points

- 1) Provide a list of all points where the BOC is currently providing interconnection to unbundled local loops.
- 2) Provide a list of all points where it is technically feasible for the BOC to provide interconnection to the local loops without regard to the cost of such interconnection.
- 3) Does the BOC or will the BOC allow sub-loop unbundling? If not, why not?

rates, terms, and conditions that are just, reasonable, and nondiscriminatory; based on cost, nondiscriminatory, and may include a reasonable profit

- 1) Provide a list of rates for unbundled local loop transmission network elements the BOC currently provides to:
 - a) subsidiaries/affiliates

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- b) all other carriers (LECs, IXC's, Wireless carriers, etc.).
- 2) Provide cost studies documenting the TSLRIC for unbundled local loop transmission network elements the BOC currently provides to:
 - a) subsidiaries/affiliates
 - b) all other carriers (LECs, IXC's, Wireless carriers, etc.)
- 3) Provide a study showing the difference between the TSLRIC and the price of unbundled local loop transmission network elements the BOC currently provides to:
 - a) subsidiaries/affiliates
 - b) all other carriers (LECs, IXC's, Wireless carriers, etc.)

Express this difference in terms of dollars, and the relationship between the TSLRIC, markup, and price in terms of percentage (e.g. TSLRIC + x% markup = price).
- 4) Provide the above information for new types of unbundled local loop transmission network elements the BOC intends to provide, but does not currently provide, to:
 - a) subsidiaries/affiliates
 - b) all other carriers (LECs, IXC's, Wireless carriers, etc.)

(v) Local transport from the trunk side of a wireline local exchange carrier switch unbundled from local switching or other services

This section requires the BOC to offer local transport on an unbundled basis separate from local switching and other services.

Relevant discovery requests would include:

unbundled basis

- 1) Provide a list of all of the unbundled local transport network elements that are currently offered either through tariff or contract.
- 2) Provide a list of all of the unbundled local transport network elements that will be made available to interconnecting telecommunications carriers.
- 3) Provide documentation describing the methodology by which the BOC will physically unbundle its local transport network.

technically feasible points

- 1) Provide a list of all points where the BOC is currently providing interconnection to unbundled local transport network elements.

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- 2) Provide a list of all points where it is technically feasible for the BOC to provide interconnection to unbundled local transport network elements without regard to the cost of such interconnection.

rates, terms, and conditions that are just, reasonable, and nondiscriminatory; based on cost, nondiscriminatory, and may include a reasonable profit

- 1) Provide a list of rates for unbundled local transport network elements the BOC currently provides to:
 - a) subsidiaries/affiliates
 - b) all other carriers (LECs, IXC's, Wireless carriers, etc.).
- 2) Provide cost studies documenting the TSLRIC for unbundled local transport network elements the BOC currently provides to:
 - a) subsidiaries/affiliates
 - b) all other carriers (LECs, IXC's, Wireless carriers, etc.)
- 3) Provide a study showing the difference between the TSLRIC and the price of unbundled local transport network elements the BOC currently provides to:
 - a) subsidiaries/affiliates
 - b) all other carriers (LECs, IXC's, Wireless carriers, etc.)

Express this difference in terms of dollars, and the relationship between the TSLRIC, markup, and price in terms of percentage (e.g. TSLRIC + x% markup = price).
- 4) Provide the above information for new types of unbundled local transport network elements the BOC intends to provide, but does not currently provide, to:
 - a) subsidiaries/affiliates
 - b) all other carriers (LECs, IXC's, Wireless carriers, etc.)

(vi) Local switching unbundled from transport, local loop transmission, or other services.

This section requires the BOC to offer local switching on an unbundled basis separate from local loop transmission, interoffice transport, or other services.

Relevant discovery requests would include:

unbundled basis

- 1) Provide a list of all of the unbundled local switching network elements that are currently offered either through tariff or contract.

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- 2) Provide a list of all of the unbundled local switching network elements that will be made available to interconnecting telecommunications carriers.
- 3) Provide documentation describing the methodology by which the BOC will physically unbundle its local switching network.

technically feasible points

- 1) Provide a list of all points where the BOC is currently providing interconnection to unbundled local switching network elements.
- 2) Provide a list of all points where it is technically feasible for the BOC to provide interconnection to unbundled local switching network elements without regard to the cost of such interconnection.

rates, terms, and conditions that are just, reasonable, and nondiscriminatory; based on cost, nondiscriminatory, and may include a reasonable profit

- 1) Provide a list of rates for unbundled local switching network elements the BOC currently provides to:
 - a) subsidiaries/affiliates
 - b) all other carriers (LECs, IXCs, Wireless carriers, etc.).
- 2) Provide cost studies documenting the TSLRIC for unbundled local switching network elements the BOC currently provides to:
 - a) subsidiaries/affiliates
 - b) all other carriers (LECs, IXCs, Wireless carriers, etc.)
- 3) Provide a study showing the difference between the TSLRIC and the price of unbundled local switching network elements the BOC currently provides to:
 - a) subsidiaries/affiliates
 - b) all other carriers (LECs, IXCs, Wireless carriers, etc.)

Express this difference in terms of dollars, and the relationship between the TSLRIC, markup, and price in terms of percentage (e.g. TSLRIC + x% markup = price).
- 4) Provide the above information for new types of unbundled local switching network elements the BOC intends to provide, but does not currently provide, to:
 - a) subsidiaries/affiliates
 - b) all other carriers (LECs, IXCs, Wireless carriers, etc.)

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(vii) Nondiscriminatory access to 911, E911, directory assistance, operator call completion

Relevant discovery requests include:

- 1) Provide all documentation depicting the method (including any applicable charges) by which competing providers are currently, or will be afforded access to the following:
 - a) 911 and E911 databases and services
 - b) directory assistance databases and services
 - c) LIDB
 - d) operator call completion services

(viii) White pages directory listings for customers of the other carrier's telephone exchange service.

This section requires the BOC to include the white pages directory listings of interconnecting telecommunications carriers' telephone exchange service customers in the BOC's white pages. While most subsections in section 271(c)(2)(B) specifically state that services be offered on a nondiscriminatory basis, this subsection does not include that requirement.

Relevant discovery requests include:

- 1) Provide documentation depicting the rates, terms, and conditions under which the BOC currently offers other providers of telephone exchange access the opportunity to include their white pages directory listings for customers in the BOC's white pages directory listings
- 2) Provide documentation depicting the rates, terms, and conditions under which the BOC plans, in the future, to offer other providers of telephone exchange access the opportunity to include their white pages directory listings for customers in the BOC's white pages directory listings. If there are any differences, please include the reason why such changes were made.

(ix) Nondiscriminatory access to telephone numbers

Relevant discovery requests include:

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- 1) Provide documentation regarding the method (including any applicable charges) by which competing providers are currently afforded or will be afforded telephone numbers by the BOC. Include any electronic bonding that has been developed.

(x) Nondiscriminatory access to databases and associated signaling necessary for call routing and completion.

This section requires the BOC to offer interconnectors and resellers nondiscriminatory access to its databases and associated signaling necessary for call routing and completion.

Relevant discovery requests include:

- 1) Provide a list of all databases and associated signaling the BOC currently offers to other providers of telephone exchange access.
- 2) Provide documentation depicting the rates, terms, and conditions under which the BOC currently offers other providers of telephone exchange access service access to databases and associated signaling necessary for call routing and completion.
- 3) Provide a list of all databases and associated signaling the BOC plans to offer in the future to other providers of telephone exchange access.
- 4) Provide documentation depicting the rates, terms, and conditions under which the BOC plans, in the future, to offer other providers of telephone exchange access service nondiscriminatory access to databases and associated signaling necessary for call routing and completion.

(xi) Number portability

Relevant discovery requests include:

- 1) Provide documentation regarding the method (including any applicable charges) by which telephone numbers are currently made portable or will be made portable by the BOC, including:
 - a) provision of interim number portability via remote call forwarding and DID
 - b) provision of permanent number portability

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(xii) Nondiscriminatory access to such services or information as necessary to allow the requesting carrier to implement local dialing parity in accordance with the requirements of section 251(b)(3).

This section requires the BOC to offer interconnecting telecommunications carriers nondiscriminatory access to such services or information as necessary to allow the requesting carrier to fully implement local dialing parity. Section 251(b)(3) requires the BOC to provide "dialing parity to competing providers of telephone exchange service and telephone toll service, and the duty to permit all such providers to have nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listing, with no unreasonable dialing delays."

Relevant discovery requests include:

- 1) Provide a list of all services or information necessary to allow a requesting carrier to fully implement local dialing parity.
- 2) Provide all rates, terms, and conditions under which the above mentioned services and information would be available.
- 3) Provide a list of all reasonable dialing delays for nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listings.

(xiii) Reciprocal compensation arrangements in accordance with the requirements of section 252(d)(2)

Section 252(d)(2) requires that the charges for transport and termination of traffic be based on the additional costs of terminating calls that originate on the other carrier's network. In order to establish compliance with this requirement, it is necessary to discover the BOC's "additional costs" of terminating such calls.

Relevant discovery requests include:

- 1) Supply a schedule of all applicable rates for the transport and termination of calls originated on a competing carrier's network.
- 2) Provide the TSLRIC of transporting and terminating calls originated on a competing carrier's network, include underlying cost studies and documentation.

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(xiv) Telecommunications services are available for resale in accordance with the requirements of sections 251(c)(4) and 252(d)(3)

This section requires the BOC to offer all of its telecommunications services for resale. The BOC is required to sell these services at wholesale rates.

Specifically, Section 251(c)(4) requires the BOC to:

- (A) offer for resale at wholesale rates, any telecommunications service that the BOC provides at retail to subscribers who are not telecommunications carriers; and
- (B) not prohibit, nor impose unreasonable or discriminatory conditions, nor place limitations on, the resale of any such telecommunications service. However, a state commission may prevent a reseller from arbitraging services.

Section 252(d)(3) sets forth rules for developing wholesale prices. This section requires the State Commission to determine wholesale rates on the basis of retail rates less the costs avoided by wholesaling the service rather than retailing it. Avoided costs include the cost of marketing, billing, collection, and any other costs that will be avoided by the BOC.

Relevant discovery requests include:

- 1) Provide a list of any conditions, limitations, or prohibitions, the BOC foresees placing on the resale of any of its telecommunications services.
- 2) For each telecommunications service to be offered for resale, provide a list of the retail prices, their corresponding avoided cost, and the resultant wholesale price.
- 3) For each telecommunications services to be offered for resale, provide a breakout of the avoided costs, listing the specific function and its associated cost.
- 4) List each service the BOC offers for resale and the number of CLECs that are actively reselling that service.
- 5) Provide a list of the rates, terms, and conditions for any additional charges resale customers will incur from the BOC in order to resell services, if such charges exist.

Separate affiliate Requirement - Section 272

The BOC meets the requirements of this provision if it has established a separate affiliate for:

- (A) Manufacturing activities as defined in section 273 (h)
- (B) Origination of (in-region) InterLATA traffic other than
 - (i) incidental interLATA services as described in section 271(g)(1-3, 5, 6)
 - (ii) out-of-region services as described in section 271(b)(2)
 - (iii) previously authorized activities as described in section 271(f); and
- (C) InterLATA information services as described in section 274(h) and alarm monitoring services as described in section 275(e).

Structural and Transactional Requirements - Section 272 (b)

The BOC is required to adhere to structural and transactional requirements. The separate affiliate must:

- (1) operate independently from the BOC,
- (2) maintain separate books, records, and accounts,
- (3) have separate officers, directors, and employees which are solely dedicated to the affiliate(s)' business,
- (4) establish credit which does not allow the creditor to have recourse to the assets of the BOC; and
- (5) Conduct all transactions with the BOC on an arm's length basis.

Relevant discovery requests include:

- 1) List all services which the affiliate(s) seeking 271 certification will provide, including, but not limited to, those that are defined in section 272 (a)(2).
- 2) List all books, records, and accounts which the affiliate(s) seeking 271 certification will keep separate from the parent RBOC per section 272 (b)(2).
- 3) List all officers, directors, and employees which are solely dedicated to the affiliate(s)' business per section 272 (b)(3)
- 4) Provide proof that all of the affiliate(s)' credit arrangements do not permit recourse to the assets of the parent Regional Bell Operating Company (per section 272 (b)(4)).
- 5) Provide evidence that all transactions between the affiliate(s) described in section 272 (a) and the BOC are in accordance with the accounting principles designated or approved by the Federal

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Communications Commission, including, but not limited to, 86-111 affiliate transaction rules.

Nondiscrimination Safeguards - Section 272 (c)

The BOC may not discriminate in favor of its affiliate in the provision or procurements goods, services, facilities, and information, or in the establishment of standards; and must account for all transactions in accordance with FCC accounting principles.

Relevant discovery requests include:

- 1) Provide all contracts or tariffs which list the price, terms, and conditions of all goods, services, facilities, and information (including CPNI) which the BOC intends to sell to the affiliate and the price, terms, and conditions of all goods, services, facilities, and information which the BOC intends to sell to non-affiliate customers.
- 2) Provide all contracts or tariffs which list the price, terms, and conditions of all goods, services, facilities, and information (including CPNI) which the affiliate(s) intends to sell to the BOC and the price, terms, and conditions of all goods, services, facilities, and information which the affiliate(s) intends to sell to other customers.
- 3) Provide documentation regarding the development of standards including, but not limited to, entities involved in developing the standards other than the BOC and its affiliate(s).
- 4) Describe the methodology the BOC will employ to ensure the continued confidentiality of CPNI.

Fulfillment of Certain Requests - Section 272 (e)

All BOCs and their affiliate(s) which are subject to the requirements of section 251(c):

- 1) shall fulfill requests from unaffiliated entities for telephone exchange service or exchange access in the same amount of time or less time than which it fulfills requests from itself or its affiliate; and
- 2) shall not provide any facilities, services, or information concerning its provision of exchange access to the affiliate unless the same is also made available to other providers of interLATA services in that market on the same terms and conditions.

Discovery for BOC Entry into In-Region InterLATA Services

- 3) shall impute the price of telephone exchange service and exchange access cost charge itself or its affiliate; and
- 4) may provide interLATA or intraLATA facilities or services to its interLATA affiliate if it makes such facilities and services available to all carriers at the same rates, terms, and conditions, so long as the costs are appropriately allocated.

Relevant discovery requests include:

- 1) Provide current time frames for the provisioning of all telephone exchange service or exchange access services which the BOC currently provides to other entities and may provide to its affiliate(s) including, but not limited to:
 - a) All switched and special access facilities and services identified in your FCC tariff No. 1 and in your state access tariff No. 2, including, but not limited to:
 - 1) Switched access facilities: FGA, FGB, and FGD
 - 2) Special access facilities: DS0, DS1, DS3, OCN.
 - b) All telephone exchange access services identified in your general exchange tariff No. 2 for all states in which the BOC operates.
- 2) Provide a list of all facilities, services, and information concerning the BOCs provision of exchange access which the BOC intends to make available to its affiliate and/or other providers of interLATA services in that market as well as the terms and condition such facilities, services, and information will be made available.
- 3) Provide a list of the prices of all competitive services which the BOC or its affiliate intends to offer which shows the imputed price of telephone exchange services and exchange access services which the BOC or the affiliate will purchase for the provision of the competitive service plus the TSLRIC cost of other competitively available facilities, services, and information which the BOC or its affiliate may self-provision and use in the of its competitive service.
- 4) Provide the rates, terms, and conditions of all interLATA or intraLATA facilities or services which the BOC intends to sell to its interLATA affiliate.
- 5) Provide the TSLRIC of all interLATA or intraLATA facilities or services which the BOC intends to sell to its interLATA affiliate as well as the allocation of costs to those services.

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Joint Marketing Requirements - Section 272 (g)

The BOC affiliate(s) may not market or sell telephone exchange services provided by the BOC unless the BOC allows other entities offering the same or similar service to market and sell its telephone exchange service. Additionally, the BOC may not market or sell interLATA service provide by its affiliate(s) within its in-region states until section 271(d) approval has been granted.

Relevant discovery requests include:

- 1) List all telephone exchange services which the BOC affiliate intends to jointly market and list which of those services are also available to other entities to market in a similar manner.
- 2) List all instances where the BOC has advertised, marketed, or sold interLATA service provide by its affiliate(s) within its in-region states prior to section 271(d) approval being granted.

ATTACHMENT B

APPENDIX A

**QUESTIONS PROPOUNDED TO BELL SOUTH
BY THE FLORIDA PUBLIC SERVICE COMMISSION**